6: Goldsen and Rails Z-4.5 (1955) 1957
AO7 Central Thai AO7

The motor users formed a group with higher economic level, greater literacy, higher acceptance of urban ways of life, more frequent exposure to mass media, broader social contacts within the community, and greater use of credit facilities. Illiterate farmers might also be motor users, if their contacts with urban centers were extensive.

3. Acceptance of mushroom culture was a special case of agricultural innovation: a) as distinct from all other attitudes toward innovation, mushroom growers were not marked by their high positive attitudes toward mushroom culture; b) the investment in mushroom raising per se was less than the investment and risk required by other types of agricultural innovation.

6. The mushroom growers as a group distinct from non-mushroom growers were more literate and acceptive of urban ways. Tilapia raisers were of a higher economic level and had greater community contacts than non-tilapia raisers.

7. An hypothesis was offered: that innovations differ in complexity and investment of effort required. The more complex presuppose greater investment, work, risk and postponement of returns; hence this complex kind requires greater motivation than the simpler ones such as mushroom raising.

8. Use of hospital and clinic facilities was more frequent among the literate, those exposed to mass media, those accepting of urban ways and those having greater contacts with the city. Unlike acceptors of agricultural innovations, users of modern medical facilities were not of a higher economic level than non-users and could not be clearly distinguished on the basis of breadth of contact within the community or use of credit facilities.

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443 she wanted to spend more time collecting debts."

221 433 434 443 261 262 It should be noted that A's brief duration of peddling started in the harvesting season. During this time the village cash supply was high, resulting in demand for such a delicacy as pork which normally constituted a negligible fraction of the diet of Bangchan people. This is a good business period for the peddlers. Another good business period, although not as good as the harvesting time, is in the transplanting season, when farmers are too busy to procure their own food (by fishing). In this latter period, farmers are not particular about food, and "anything eatable sells, provided liberal credit is allowed" for people have neither time nor money.

443 It should be noted also that many smaller peddlers did not go to Bangkok as did Nang A. The small peddlers, who operated on a very limited working capital, had to sell their eggs to larger peddlers at discounted prices. Our records show that only three or four peddlers took regular trips to Bangkok.

427 434 454 621 463 426 Five families were classified as investors in 1953. All these families lived on rents from land, interest on loans, and income from speculative sources such as buying paddy when the price was low and selling it at high prices. Actually, most of these five families were not among large land owners in the village. Their combined land was only 134 rai, averaging only 27 rai per family and ranging from 10 to 76 rai. This is a small acreage in comparison to

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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427 the combined land of five leading farm operators of 693
434 rai, averaging 139 rai per operator and ranging from 83
454 to 235 rai. It must be remembered that our operational
621 definition of occupations was based on the main source of
463 income and that many of the villagers had more than one
426 source of income. Investors as an occupational class in Bangchan should not be pictured as large landlords and large money lenders, possessing financial influences over their tenants and debtors. Rather, they were humble fellow villagers whose incomes were mainly derived from rents of small parcels of land or interest on small loans. To cite an extreme case, one aged woman was classified as an investor. She had only 17 rai which she rented out to her own son. She was living alone in an old shack and was too old to do any kind of work. She received as rent about a hundred tang of paddy a year which is equivalent to an annual income of only 800 baht. Thus she was considered one among the poor in the village.

198 There were three families whose occupations were
465 classified as professional in 1949. The number was reduced
621 to one in 1953. The head of this family was a Chinese car-
322 penter who derived his income primarily from boat building. Again, it must be pointed out that reduction of the number of families primarily engaged in professional services does not mean that professional services had been declining.
[305] On the contrary, they had been increasing. There were three barbers in 1953 as against only one in 1949. More traditional

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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423 rate of increase in land price is considered, however, it
435 is reasonable to believe that population increase is cer-
369 tainly not the only factor.

[121] It is not the purpose of this study to deal with the price of urban land. Neither the problem of land utilization nor the whole economy of Bangchan can be clearly understood, however, without some account of the rapid building up of urban land prices in recent years. It is thus necessary to digress at this point into some factors accountable for this rapid rise.

369 It has been observed that the volume of domestic
454 saving in Thailand is small because of the low level of in-
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435 come, and that such saving as does take place tends to be
178 put into real estate and gold and jewelry. Concentration
182 of income resulting from the postwar phenomenon of shifting of political and economic power into the hands of few people, however, has somewhat increased the proportion of saving; but this is again used largely to purchase real estate. The natural result is the boosting up of urban land prices especially in the suburban sections where there has been a relatively high degree of improvement in road construction since the war.

This investment in land purchase has more than ever
423 before assumed a speculative nature. This is largely due
45 to the experience of inflation initiated by World War II
178 whereby huge and easy profits could be made from buying
369 and selling of land. Corruption in the sale and purchase
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434 was considered as spent in land purchase. If, however,
432 he made another partial payment of 2,000 baht during the
511 period covered by the study, a total of 3,000 baht was considered. Since purchases of gold and household equipment are normally made with cash, a total of cash spent on these three items (land, household equipment and gold) would seem to fairly well indicate the extent of internal saving of
434 each family. The assumption here is that one would not
426 borrow money to buy gold or a gun. With this correction
511 the figure remaining will represent a change in net assets, if we can assume no other changes in the debt situation. For those who bought these assets, it is very unlikely that any increase in outside debt occurred. The reason for this belief lies in interest rate differences: any person with some cash (which may be borrowed at low rate of interest in case he was about to buy land) would rather settle his high interest bearing debts first before buying household equipment or gold or making down payment for land. For those who did not buy these assets, some increase in debt for consumption purposes may have occurred. Both groups may have decreased debts during this period. The most likely assumption is that those buying land experienced a net decrease in debts other than those incurred in buying land, while those not buying such assets experienced a net increase in debts. The balance was probably one of some
[454] increase in debt in the village. Therefore, although these figures for net accumulation of assets provide a fair

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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426 representation of internal savings in the community, they
454 probably overstate this increase somewhat.
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When calculated in the manner outlined above, the
511 net accumulation of assets of our 96 sample-families was
434 found to total 84,942 both during the period from March, 1948 to February, 1953, averaging 885 baht per family per year. The frequency distribution of this accumulation of assets is shown in Table 59.

It is seen that of 96 sample-families, 90 had positive accumulation while only 6 had negative accumulation. Fifty-six or more than half of the total number of families studied had an accumulation of assets in the class interval between 0 and 999 baht. The highest amount of accumulation was found to be 9,000 baht, while the lowest was -10,470 baht.

We should examine the figures of Table 59 more closely before drawing a sweeping conclusion from the mere fact that 90 out of 96 sample-families had positive accumulation. In the first place, the raw data show that of the 56 families reporting accumulation in the class interval of 0 - 999 baht, there were 42 families whose accumulation was 0. Thus the number of families with positive accumulation was really not 90, but actually 48 or only half of the total sample-
[435] families. Besides, consideration must be paid to the fact that gold is not only a kind of security but also an article of prestige as well, and a gold necklace of 15 - 30 gram weight valued at 500 - 1,000 baht is usually worn by a rural Thai who can afford one. When a person reappears in the

[TEXT CONTINUED ON PAGE 340]

seller of the land did not show up until the next morning. Recruit had to be made for guns and men to guard the money for that whole long night.

3. Scarcity of money

Scarcity of money exists in Bangchan because there is, relative to the demand for purchased goods and services, only a small margin between the price received and the cash outlay of producing paddy. Another reason is that most farms are too small, thus yielding small net cash incomes to the majority of farm operators in the village. Small incomes of farm operators who constitute the core of village economy means also small incomes of the rest of the village population whose financial condition directly or indirectly depends on incomes of farm operators.

Scarcity of money is directly evidenced by shortage of money during theperiod from July to December. It is also indicated by high rates of interest on credit purchases and loans sought in the village.

The problem of scarcity of money has been rendered more acute by the fact that affluent farmers do not like to keep cash at home or put it in liquid form such as in saving bank in the nearby market town, but prefer to invest it in a more or less non-liquid form such as loans or land purchases. Some of those who had accumulated a large amount also tend to spend it on sponsoring of rituals costing as high as several

thousand baht to more than ten thousand baht which is a real drain on the village cash supply.

These huge expenses are, however, partially compensated by such items as loans sought from outside or sale of lands and other assets. It cannot be expected, however, that these items would provide enough supply of cash to bring down the rate of interest in the village.

4. Role of paddy

Paddy is extensively used in the village as a medium of exchange. It is used in both small transactions of a few baht and large transactions of several thousand baht. Thus paddy stock may almost be considered as equivalent of a bank balance.

The most important consumption uses of paddy are as seeds and for human consumption. In order to make it really comparable to a bank balance, allowance must be made for the amount necessary for seeds and human consumption although the amount for chicken feed may be dispensed with because the farmer may choose to drop his poultry enterprise. On this basis, we have arbitrarily coined a term "index of capital formation potential with present levels of living" to represent the amount of paddy in tang which is left at the operator's disposal at the end of March after allowance for seeds and family consumption has been made. No allowance is made for special consumption expenses such

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as sponsoring of ordination and other rituals. Algebraically, the formula for the index of capital formation potential may be expressed as follows:

$$I = P - (R \times 1\ 1/2) - (C \times 30)$$

where,

I is index of capital formation potential
P is paddy stock at the end of the first phase of sale (about March 31)
R is area in rai devoted to rice
C is the family size expressed in consuming units, whereby adults age 15 years and over are considered to be one consuming unit each and children age 14 years and under are considered to be one-half unit each.

The formula is constructed under the following assumptions:

1. Creditors and landlords demand settlement of debts and rentals immediately after harvest.
2. Farmers prefer to keep paddy rather than cash.
3. Before the end of March, affluent farmers sell only a certain part of their crops which would bring just enough cash to last until the next sale in July or after.
4. Amount of seeds necessary to plant one rai of rice is 1 1/2 tang.
5. Paddy consumption is 38.3 tang annually per consuming unit (Table). The surplus held on March 31 must last for 9 1/2 months before the next harvest can be used. Consumption during these 9 1/2 months is calculated at 30 tang per concuming unit.

7: Janlekha X-4,5 (1948-1953)1956 AO7 Central Thai AO7
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Table 65 shows the frequency distribution of index of capital formation potential of 96 sample-operators as of March 31, 1953.

It is seen that the median index of capital formation potential is 65 tang. The abnormally high indices of two operators, one over 1,000 tang and the other over 2,000 tang, have pushed the mean index up to 145 tang. It is seen also that there are 34 operators whose indices of capital formation potential are negative. Since there 34 operators constitute more than one-third of the sample, the situation may be said to be rather disheartening. This means that a good proportion of farm operators do not produce enough paddy even for their own consumption after having to pay for debts, rentals, and other immediate requirements.

In the opinion of the author, index of capital formation potential in the sense that is here used is a very useful device for a quick survey of economic condition of most rice growing areas of Thailand where the single-crop system is practiced and where there is relatively little secondary income.

434 in the canals, some cash is also needed to last the farmers
453 through the festive and merit-making dry season.

Since most of Bangchan operators are farmers whose incomes are barely or not at all enough to cover their household expenses, very few could hold their paddy stock for sale in the second period when higher prices may be expected.

[454] It has been observed that Bangchan farmers do not want to keep cash in their homes for fear of robbery. This is probably another reason for the withholding of paddy from sale in the first period in addition to the prospect of better prices. These few affluent farmers who have some paddy for sale in the second period have to sell it all before the arrival of new crop which often floods the market and forces the prices down.

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[426] Farmers usually arrange that payment for their paddy be made in the market town where they immediately pass most of the cash on to their creditors or sellers of the goods they plan to buy on that date. On the way home, they would stop over at the village stores to settle their other accounts. Thus, by the time they are back at home there is not much cash on hand to worry about. The few affluent farmers would do the same thing in their early sales -- that is, they would sell only a small portion of their crop so that there will be only a small amount of cash left on hand by the time they are back at home. In their later sales, however, these farmers must have a large amount of cash. It has